

BEFORE

THE PUBLIC SERVICE COMMISSION OF

SOUTH CAROLINA

DOCKET NO. 2021-347-E - ORDER NO. 2022-80

JANUARY 27, 2022

IN RE: Application of Duke Energy Progress,) ORDER GRANTING
LLC for Approval of Prepaid) APPROVAL OF DUKE
Advantage Program) ENERGY PROGRESS, LLC'S
) PREPAID ADVANTAGE
) PROGRAM

I. INTRODUCTION

This matter comes before the Public Service Commission of South Carolina (Commission) on the Application Duke Energy Progress, LLC (DEP or Company) for approval of its Prepaid Advantage Program.

II. FACTS AND PROCEDURAL HISTORY

Pursuant to S.C. Code Ann. Section 58-27-250(c), S.C. Code Ann. Regs. 103-823, and Order No. 2019-341, DEP filed an Application on November 4, 2021, requesting approval of its Prepaid Advantage Program (the Program) and a partial waiver of S.C. Code Ann. Regs. 103-352. Specifically, DEP seeks approval of its Application without notice or a hearing pursuant to S.C. Code Ann. Section 58-27-870(F).

The requests set forth in this Application do not involve a change to any of DEP's retail rates or prices at this time, nor do they require changes involving any Commission rule, regulation, or policy. Further, the requests do not require a determination of the rate structure or rate of return of the Company and will not result in any rate increase.

The Office of Regulatory Staff (ORS), a party of record pursuant to S.C. Code Ann. Section 58-4-10 of the South Carolina Code of Laws (Supp. 2021), filed a letter asserting that it has reviewed the request and has no objection to the request for approval.

III. DISCUSSION

The Prepaid Advantage Program has been a successful pilot program for Duke Energy Carolinas, LLC (DEC) for several years. The Commission approved the DEC pilot program in Docket No. 2015-136-E¹ on May 12, 2015 and granted extensions for it on June 21, 2017, December 20, 2017, June 7, 2018, and December 19, 2018. DEC's Prepaid Advantage Program was fully commercialized in DEC's most recent rate case. DEC filed a learnings report with the Commission in August 2017, detailing the lessons learned from its pilot program in Docket No. 2015-136-E. The learnings report found that the DEC pilot program successfully increased customer satisfaction and energy savings. Specifically, 50% of participants ranked themselves as 'Completely Satisfied,' and 73% felt the Prepaid Advantage Program had a positive effect on their overall satisfaction with DEC. (*See* Docket No. 2015-163-E, Duke Energy Carolinas, LLC's Prepaid Advantage SC Learnings Report). On average, customers in the DEC program have experienced an approximate 8.5% reduction in their electricity usage (based on internal findings without a formal third-party Evaluation, Measurement, and Verification study). Because DEP has had the opportunity to review DEC's pilot program and the lessons learned from that pilot, DEP intends to implement a fully commercialized version of the program in its territory. DEP's proposed Program has the same eligibility requirements as DEC's program and will allow

¹ The voluntary program was originally known as the "Pay As You Go Pilot Program."

customers to avoid paying a deposit, catch up on their arrearage, and enjoy flexibility in their future payments. Additionally, DEP is requesting the same waivers for the Program as those granted to DEC when it launched its own pilot program.

The Company proposes to offer residential customers a new Prepaid Advantage payment option. Eligible customers must reside in residences served on a non-time-of-use rate schedule, and may not be served on Rider NM, Rider RNM, or Rider IRSC, enrolled in the Budget Billing Plan, or have an active deferred payment arrangement exceeding \$500.00. Additionally, Medical Alert, Special Needs, or Medical Certificate (moratorium) customers are not eligible. Customers enrolled in the Program may not purchase non-regulated products and services as the Company does not have the capability to properly bill these products and services within the Program. The Company will allow Program participants to be eligible to purchase non-regulated products and services when the capabilities exist to properly bill these products and services.

The Program will allow DEP customers to avail themselves of a prepayment plan that can eliminate the need for deposits, reconnection fees, and late fees. The Program will also provide customers with greater payment flexibility, allowing frequent cash payments, which may help customers better manage their finances. The Program would not require a deposit fee, allowing customers to use funds to which they otherwise would not have access. Customers choosing the Program may opt to make a payment through any of the existing channels available to them today (online, via the phone, at cash payment locations, etc.).

Utilizing their online account, customers will have access to view their daily consumption as well as see a projection of the number of days remaining in their account based on historical usage information. Additionally, if a Prepaid Advantage customer is disconnected for a negative balance, no reconnection fee is charged upon reconnection. The Program is designed to give customers the control and flexibility to make payments to their account before using electricity. Customers will be able to view usage and account balance information on the Prepaid Advantage Customer Portal (using a desktop computer or smart phone) and receive alerts through text messages and/or e-mail, at their discretion. Customers will be able to use this information to recognize higher than usual electricity consumption on a daily basis, thereby better understanding what drives their bill. Additionally, customers will potentially be able to avoid bill surprises at the end of an unusual weather month, or even be informed during the month of unusual weather or other circumstances that may be driving electric usage higher than they anticipate, such as an equipment malfunction.

DEP asserts that it wishes to implement the Program starting May 1, 2022.

IV. FINDINGS OF FACT

1. The Commission finds that the requests being made by DEP do not constitute a change in any rate or charge to be implemented by DEP.
2. The requested waivers relate to a voluntary program that, by design, will not result in a financial disadvantage to either the voluntary participants nor to the non-participants.

3. The requested Program approval is pursuant to S.C. Code Ann. Section 58-27-250 (C), which authorizes the Commission to approve such prepaid programs.

4. The requested Program does not require a determination of the entire rate structure nor overall rate of return of the Company.

5. The requested Program does not result in any rate increase to the electrical utility.

6. The Office of Regulatory Staff has reviewed the requests and does not object to the requests for waiver of notice and hearing, nor the approval of the Prepaid Advantage Program.

V. CONCLUSIONS OF LAW

1. S.C. Code Ann. Section 58-27-870(F) explicitly authorizes the Commission to allow rates or tariffs to be put into effect without notice and hearing, "when such rates or tariffs do not require a determination of the entire rate structure and overall rate of return, or when the rates or tariffs do not result in any rate increase to the electrical utility..."

2. The waiver of notice and hearing for implementation of the Prepaid Advantage Program is pursuant to and consistent with S.C. Code Ann. Section 58-27-870(F).

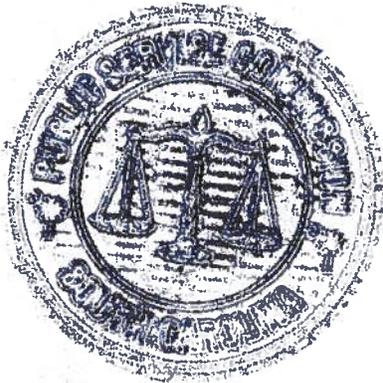
3. The request for implementation of the Prepaid Advantage Program is in the public interest and does not implicate any additional statutory or regulatory requirements for approval.

VI. ORDERING PROVISIONS

IT IS THEREFORE ORDERED:

1. The request of Duke Energy Progress, LLC for the partial waiver of S.C. Code Ann. Regs. 103-352 is granted.
2. The Application for the approval of the Prepaid Advantage Program is approved as filed.
3. This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Justin T. Williams, Chairman
Public Service Commission of
South Carolina